between the Ruler and the ruled. I shall be detaining you unduly long were I to detail all that has been achieved by this happy collaboration for the progress and wellbeing of the country; and there is no need for me to repeat what is well known not merely to past and present members of the Assembly but also to the democratic-minded peoples of this land of wide-spread education whom you represent here. No student of this institution can doubt its increasing value as an active medium between the Government and the people. The Assembly may justly be proud of its record of twenty-five years' valuable assistance rendered to the people through the administrators of the country. I have tried to conduct this Assembly as my predecessors have done for twenty years before me. They have ungrudgingly acknowledged the help rendered to them by the Assembly. I join whole-heartedly in that appreciation of your efforts. I can think of no more effective way for the people to bring their needs and express their views directly to the notice of the head of the administration than at a public assembly, the proceedings of which receive the Dewan's close personal attention not merely at the session itself but also, item by item, throughout the twelve months before the next Assembly meets. The Assembly has stood the test of a quarter of a century; and I for one devoutly hope that it will never lose the characteristics which have made it so valuable in the past.

Finance.

3. As in the preceding two years, so also in 1103, we laboured under no anxieties in the matter of finance. In 1101 we estimated for a revenue of Rs. 206·81 lakhs and realised Rs. 221·88 lakhs. In 1102 we estimated for Rs. 211·58 lakhs and realised Rs. 232·52 lakhs. In 1103 we estimated for Rs. 223·21 lakhs and actually realised Rs. 242·29 lakhs. Out of all this we contemplated spending Rs. 203 lakhs in 1101, and actually spent Rs. 198·87 lakhs. In 1102 we meant to spend Rs. 208 lakhs but were unable to spend more than Rs. 205 lakhs. In 1103 we arranged to spend Rs. 221·82 lakhs and in fact spent Rs. 218·40 lakhs. You will see from these figures that we found ourselves left at the end of 1101 with a surplus of Rs. 18 lakhs and at the end of 1102 with Rs. 28 lakhs while the surplus for 1103 was Rs. 24 lakhs. I know there are critics who on principle hold up their hands in horror at the very mention of a surplus. I know also that there is a kindlier class of critics who criticise only to know the reason why. For a variety of reasons Travancore revenues have risen very appreciably during the last three years. In a system of Government where the people are not called upon each year to provide in taxes what will cover the expenditure on the year's requirements, it is necessary to make normal expenditure, commonly styled expenditure out of revenue, keep within the limits of the estimated revenue for the year. In the matter of estimating, mechanical aids have in certain directions to be resorted to, as for instance in calculating averages; and so it is that the State's annual budget is framed on the basis of the actual figures for the last three years preceding,

LIBRARY ARCHIVES Kerala Legislative Assembly

after excluding windfalls. Now, if you will look at the estimated income and expenditure during the last three years, you will find that they approximated very closely to one another. But in the matter of the revenue actually realised, what each year was taken to be a seventh wave, can now be reasonably looked upon as an established higher level. Therefore, for the current year, after applying the mechanical aid mentioned, we have budgetted for a revenue of nearly Rs. 240 lakhs. Turning to the other side of the picture, we have neither curtailed our expenditure nor left it standing still. The increase of expenditure in 1103 over that of 1101 was Rs. 20 lakhs; and if we take this year's estimates into account the expenditure out of revenue has risen by Rs. 36 lakhs in four years. But the position can hardly be judged in terms of revenue alone. There is considerable capital expenditure in addition on projects either approaching completion in the current year or on which considerable progress has been made. For instance, there is in the 1104 budget, provision for Rs. 15·38 lakhs for railways, Rs. 10 lakhs for water works, Rs. 3·44 lakhs for electric supply, Rs. 6 lakhs for bridging the Neendakara bar —a total of Rs. 34·82 lakhs. The true position will be understood by a comparison of the opening and closing balances of the Government account at the end of the year. In the year 1103 the Government account opened with a balance of Rs. 136·5 lakhs and closed with a balance of Rs. 163·6 lakhs. The year 1104 opened with a balance of Rs. 163·6 lakhs and it is expected to close with a balance of Rs. 130 lakhs. All this capital expenditure in reality comes out of the accumulated surpluses. There is another aspect of the question too. We cannot be expected to spend money upon schemes which are not yet ready for execution : but we can put by for them.

The General Financial Position.

4. I am sure you will wish to know the general financial position of the State. Under the present system of taxation we may count upon a stable annual income of Rs. 245 lakhs from all sources and out of this we may safely spend Rs. 240 lakhs a year. That is my forecast for the next three years. Apart from the year's revenue and expenditure transactions, the State's general assets which stood at Rs. 221·8 lakhs at the beginning of 1103 rose to Rs 258·4 lakhs at the close of the year 1103. We expect it to be about Rs. 225 lakhs at the close of 1104.

Lands for Landless Classes.

5. Efforts to provide land for the landless classes were continued during the year under review. A total area of 16,026 acres of Government land have been set apart for them. Persons of these classes were settled on 2,079 acres from this earmarked area during the year and a further extent of 1,980 acres outside the ear-marked area was registered in their names. Of these 4,059 acres, 2,568 acres or 63 per cent were registered in the names of Pulayas who are the actual tillers of the soil. There are difficulties in

LIBRARY ARCHIVES Kerala Legislative Assembly